

SIGURD TOWN
FINANCIAL STATEMENTS
JUNE 30, 2007

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Kimball & Roberts

Certified Public Accountants

A Professional Corporation

Box 663

Richfield, Utah 84701

Phone 896-6488

Honorable Mayor and Town Council
Sigurd Town
Sigurd, Utah 84657

We have compiled the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Sigurd Town as of and for the year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion, or any other form of assurance, on them.

The management's discussion and analysis, budgetary comparison and impact fee information, on pages 4 through 13 and 40 through 43, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Respectfully submitted,


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

July 19, 2007
Richfield, Utah

SIGURD TOWN MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of Sigurd Town's financial performance provided an overview of the Town's financial activities for the year ending June 30, 2007. This report is in conjunction with the Town's financial statements.

The purpose of the Town is to provide general services to its residents which includes general government, public safety, health and welfare, sanitation, streets, park, recreation and public property.

Financial Highlights

- * The assets of Sigurd Town exceeded its liabilities as of the close of the most recent year by \$721,344 (net assets). Of this amount, \$249,506 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- * The government's total net assets increased by \$43,702. The revenues were less than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts.
- * At the close of the current year, Sigurd Town's governmental funds reported ending fund balances of \$204,886, an increase of \$42,292 in comparison with the prior year. Approximately 53 percent of this total amount, \$109,378 is available for spending at the government's discretion (unreserved fund balance).
- * At the end of the current year, unreserved fund balance for the general fund was \$109,378, or 157 percent of total general fund expenditures.
- * Sigurd Town's total debt decreased by \$16,103 during the current year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Sigurd Town's basic financial statements. Sigurd Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Sigurd Town's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of Sigurd Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Sigurd Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Sigurd Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Sigurd Town include general government, public safety, health and welfare, highways and public improvements, parks and recreation and interest on debt. The business-type activity of Sigurd Town is the water fund.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Sigurd Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Sigurd Town can be divided into two categories: governmental funds and enterprise funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Sigurd Town adopts an annual appropriated budget for all its governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

Sigurd Town maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Sigurd Town uses an enterprise fund to account for its culinary water operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water fund, which is considered to be a major fund of Sigurd Town.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Sigurd Town.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Sigurd Town, assets exceeded liabilities by \$721,344 at the close of the most recent fiscal year.

By far the largest portion of Sigurd Town's net assets (51 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. Sigurd Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Sigurd Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Sigurd Town's Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and Other Assets	204,886	166,058	181,236	162,866	386,122	328,924
Capital Assets	451,543	474,704	85,060	94,704	536,603	569,408
Total Assets	656,429	640,762	266,296	257,570	922,725	898,332
Long-Term Liabilities	90,630	103,895	83,369	101,955	173,999	205,850
Other Liabilities	6,671	3,464	20,711	11,376	27,382	14,840
Total Liabilities	97,301	107,359	104,080	113,331	201,381	220,690
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	354,549	370,809	7,115	(7,251)	361,664	363,558
Restricted	95,508	73,149	14,666	14,500	110,174	87,649
Unrestricted	109,071	89,445	140,435	136,990	249,506	226,435
Total Net Assets	559,128	533,403	162,216	144,239	721,344	677,642

A portion of Sigurd Town's net assets (15 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$249,506) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Sigurd Town is able to report positive balances in all three categories of net assets, for the government as a whole.

Governmental Activities

Governmental activities increased Sigurd Town's net assets by \$25,725. Key elements of this increase follows:

Sigurd Town's Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:						
Program Revenues:						
Charges for Services	16,256	13,749	55,565	66,937	71,821	80,686
Operating Grants	21,730	20,069	-	-	21,730	20,069
General Revenues:						
Property Taxes	15,382	15,529	-	-	15,382	15,529
Other Taxes	49,125	42,755	-	-	49,125	42,755
Unrestricted Investment Earnings	7,254	5,223	6,954	4,479	14,208	9,702
Other	2,315	2,094	-	-	2,315	2,094
Total Revenues	112,062	99,419	62,519	71,416	174,581	170,835
Expenses:						
General Government	39,536	42,820	-	-	39,536	42,820
Public Safety	14,799	13,482	-	-	14,799	13,482
Public Health	10,069	11,620	-	-	10,069	11,620
Highways and Public Improvements	13,695	22,027	-	-	13,695	22,027
Parks and Recreation	8,047	6,852	-	-	8,047	6,852
Interest on Long-Term Debt	191	265	1,114	4,745	1,305	5,010
Water Fund	-	-	43,428	36,564	43,428	36,564
Total Expenses	86,337	97,066	44,542	41,309	130,879	138,375
Increase in Net Assets	25,725	2,353	17,977	30,107	43,702	32,460
Net Assets - Beginning	533,403	531,050	144,239	114,132	677,642	645,182
Net Assets - Ending	559,128	533,403	162,216	144,239	721,344	677,642

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-Type Activities

Business-type activities increased Sigurd Town's net assets by \$17,977.

Financial Analysis of the Government's Funds

As noted earlier, Sigurd Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of Sigurd Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing Sigurd Town's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

The general fund is the chief operating fund of Sigurd Town. At the end of the current year, unreserved fund balance of the general fund was \$109,378, while total fund balance reached \$182,825. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 157 percent of total general fund expenditures, while total fund balance represents 262 percent of that same amount.

Proprietary Funds

Sigurd Town's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net assets of the Water Fund at the end of the year is \$140,435. Other factors concerning the finances of this fund has already been addressed in the discussion of Sigurd Town's business type activities.

General Fund Budgetary Highlights

There were no differences between the original budget and the final amended budget.

Budgeted revenues were less than actual revenues by \$104,812, and actual expenditures were less than budgeted revenues by \$144,196, resulting in an increase in the fund balance of \$39,286.

Capital Asset and Debt Administration

Capital Assets

Sigurd Town's investment in capital assets for its governmental activities as of June 30, 2007, were \$451,543 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads.

Sigurd Town's Capital Assets
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	29,595	29,595	-	-	29,595	29,595
Water Rights	-	-	47,850	47,850	47,850	47,850
Buildings	377,397	388,305	12,498	13,519	389,895	401,824
Improvements Other than Buildings	15,560	17,116	4,180	6,457	19,740	23,573
Equipment	9,390	18,780	20,532	26,878	29,922	45,658
Infrastructure	19,601	20,908	-	-	19,601	20,908
Total	451,543	474,704	85,060	94,704	536,603	569,408

Additional information on Sigurd Town's capital assets can be found in the notes to the financial statements.

Long -Term Debt

At June 30, 2007 and 2006, Sigurd Town had total bonded debt outstanding of \$182,693, and 192,399 respectively. The debt represents bonds secured solely by specified revenue sources and general obligation bonds secured by the general revenues of the Town.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General Obligation Bonds	-	-	17,379	18,217	17,379	18,217
Revenue Bonds	95,000	100,000	70,314	74,182	165,314	174,182
Total Bonds	95,000	100,000	87,693	92,399	182,693	192,399

State statutes limit the amount of general obligation debt a governmental entity may issue to 12 percent of its total fair market value of taxable property in the Town. The current debt limitation for Sigurd Town is approximately \$1,800,000. At year end Sigurd Town had \$17,379 of general obligation debt outstanding.

Additional information on Sigurd Town's long-term debt can be found in the notes of the financial statements.

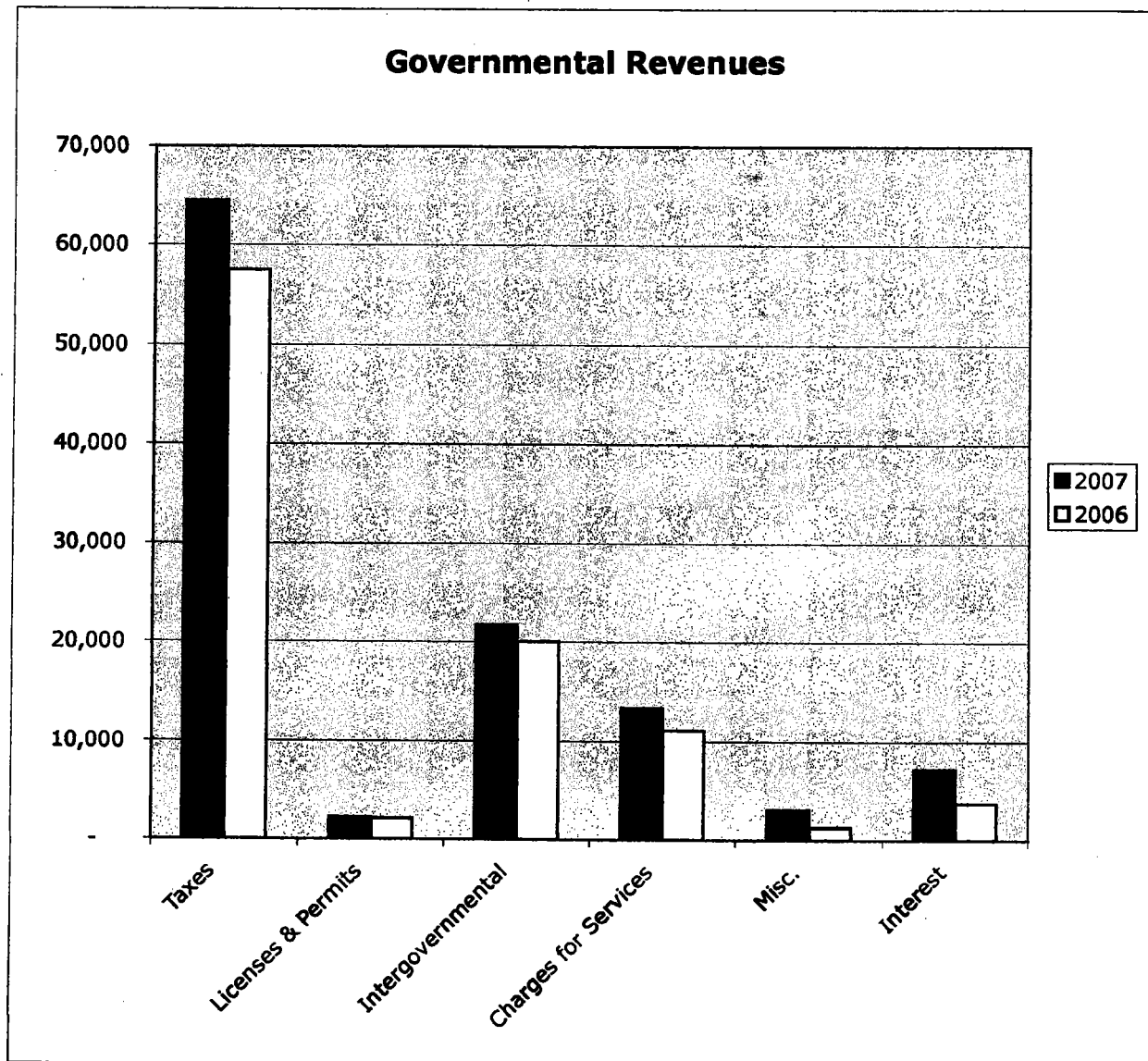
All of these factors were considered in preparing Sigurd Town's budget for 2007 fiscal year.

Request for Information

This financial report is designed to provide a general overview of Sigurd Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sigurd Town Clerk, P.O. Box 570064, Sigurd, UT 84657.

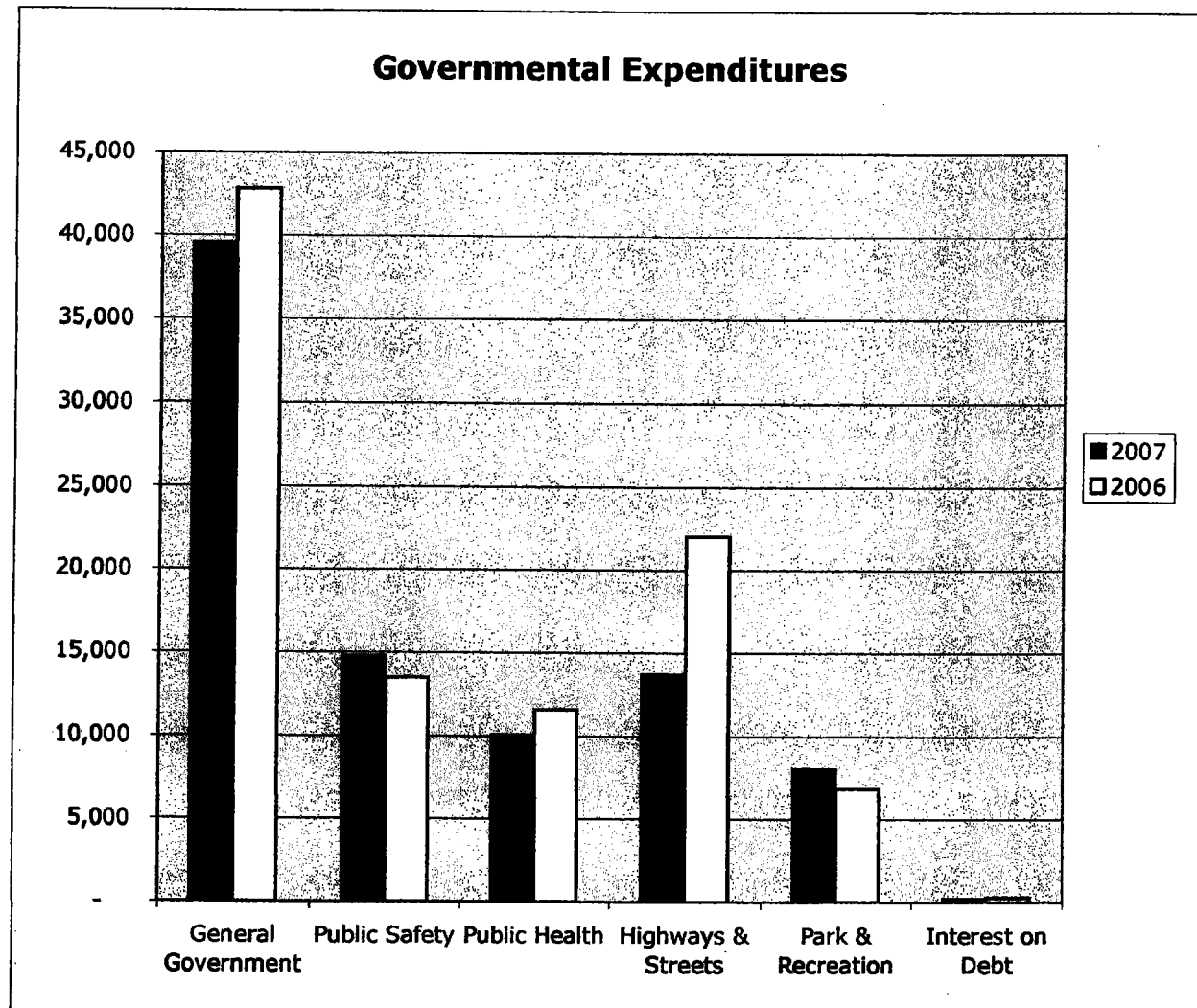
Sigurd Town
Governmental Revenues
For The Fiscal Years Ending June 30, 2007 and 2006

	2007	2006
Taxes	64,507	57,534
Licenses & Permits	2,190	2,098
Intergovernmental	21,730	20,069
Charges for Services	13,348	11,124
Misc.	3,033	1,280
Interest	7,254	3,736
Total Revenues	112,062	95,841



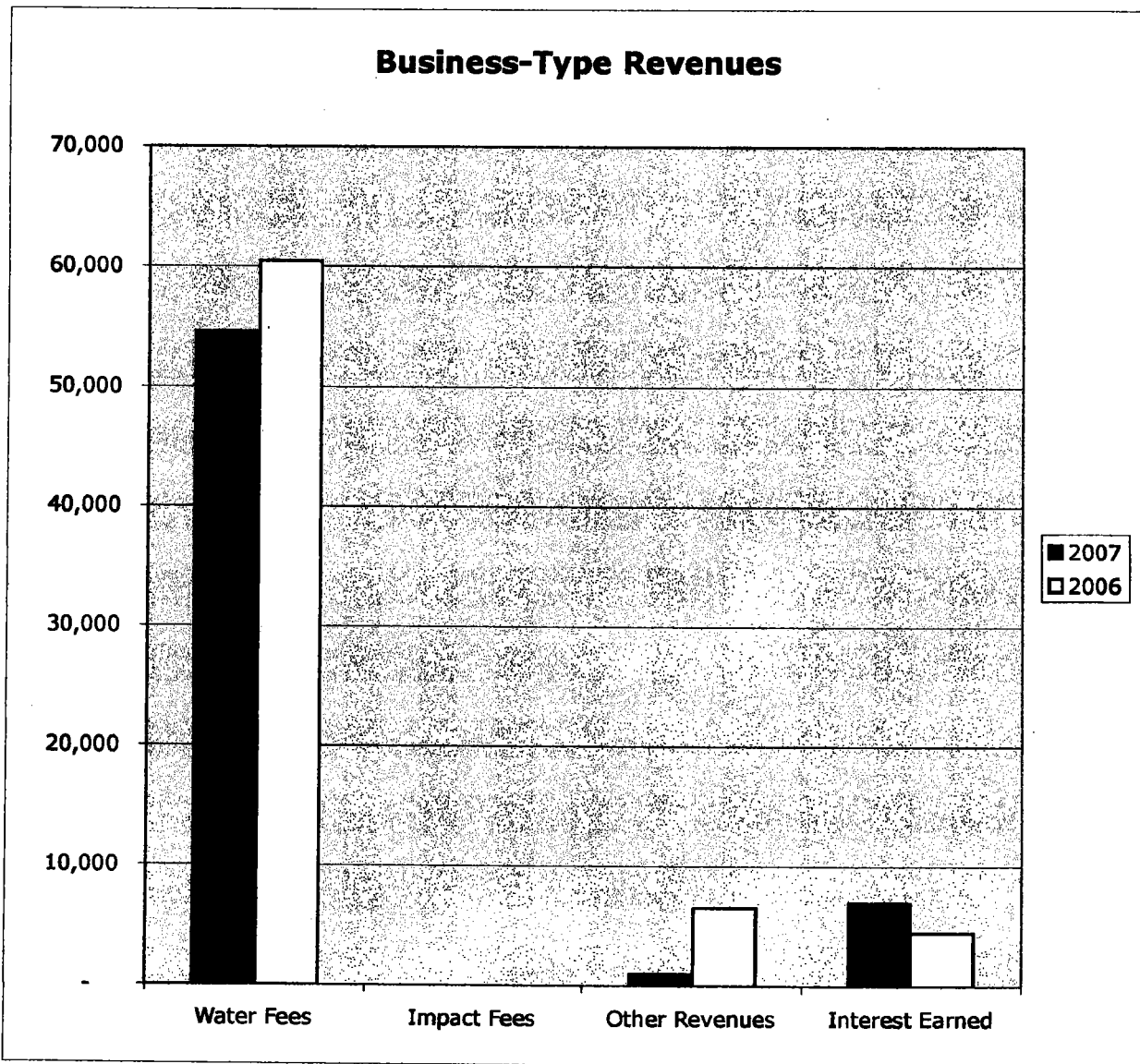
Sigurd Town
Governmental Expenditures
For The Fiscal Years Ending June 30, 2007 and 2006

	2007	2006
General Government	39,536	42,820
Public Safety	14,799	13,482
Public Health	10,069	11,620
Highways & Streets	13,695	22,027
Park & Recreation	8,047	6,852
Interest on Debt	191	265
Total Expenditures	86,337	97,066



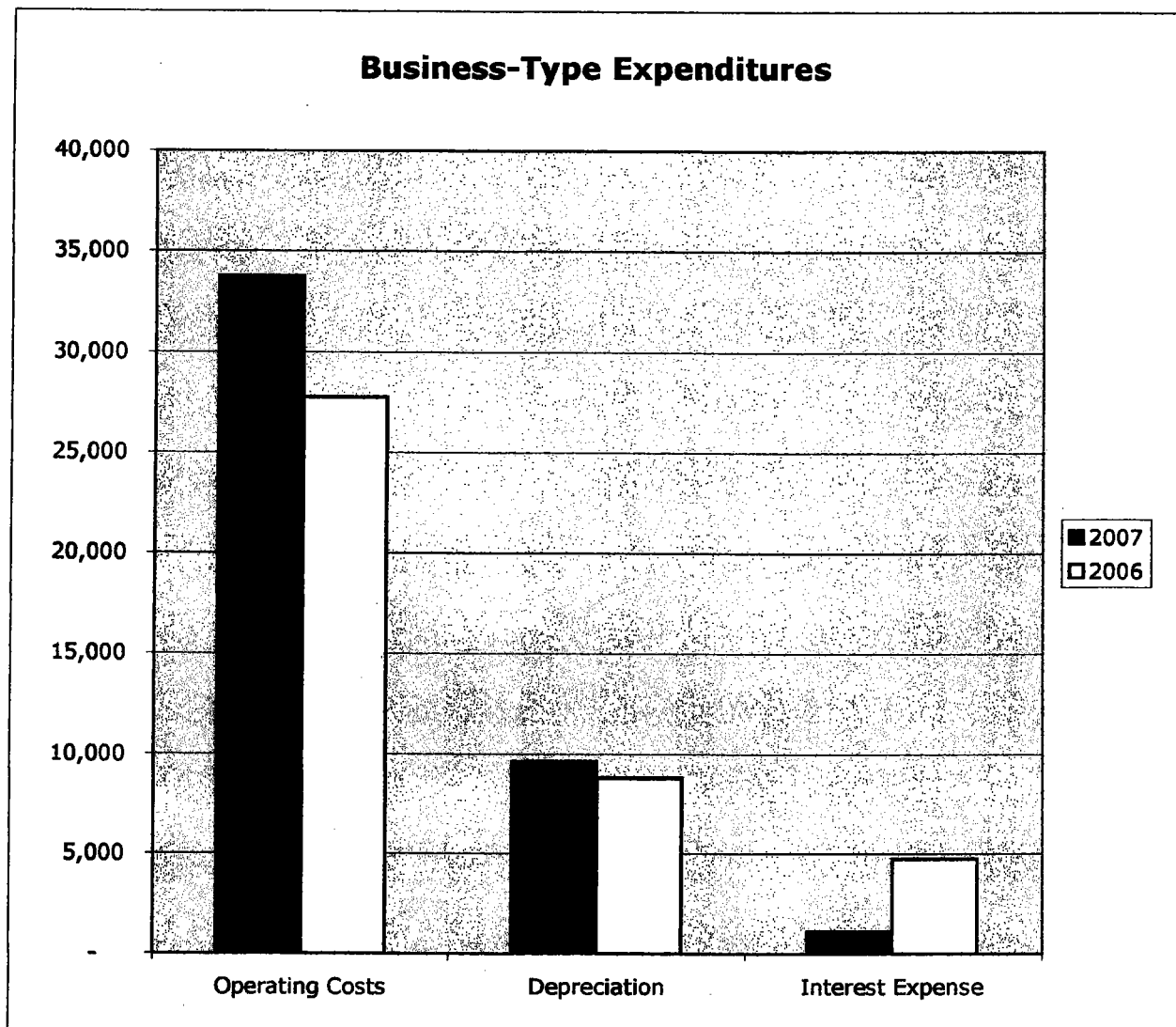
Sigurd Town
Business-Type Revenues
For The Fiscal Years Ending June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Water Fees	54,593	60,433
Impact Fees	-	-
Other Revenues	972	6,504
Interest Earned	<u>6,954</u>	<u>4,479</u>
Total Revenues	<u>62,519</u>	<u>71,416</u>



Sigurd Town
Business Type Expenditures
For The Fiscal Years Ending June 30, 2007 and 2006

	2007	2006
Operating Costs	33,784	27,774
Depreciation	9,644	8,790
Interest Expense	1,114	4,745
Total Expenditures	44,542	41,309



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is used to assist in formatting for easier reading)

BASIC FINANCIAL STATEMENTS

**SIGURD TOWN
STATEMENT OF NET ASSETS**

June 30, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	204,886	157,075	361,961
Accounts Receivable (Net)	-	9,661	9,661
Total Current Assets	204,886	166,736	371,622
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	-	14,500	14,500
Capital Assets (Net of Accumulated Depreciation)	451,543	85,060	536,603
Total Noncurrent Assets	451,543	99,560	551,103
TOTAL ASSETS	656,429	266,296	922,725
LIABILITIES			
Current Liabilities:			
Customer Deposits	-	10,879	10,879
Bond Interest Payable	-	755	755
Notes Payable - Due Within One Year	1,671	-	1,671
G. O. Bonds Payable - Due Within One Year	-	880	880
Revenue Bonds Payable - Due Within One Year	5,000	3,444	8,444
Lease Obligation Payable - Due Within One Year	-	4,753	4,753
Total Current Liabilities	6,671	20,711	27,382
Noncurrent Liabilities:			
Notes Payable - More Than One Year	630	-	630
G. O. Bonds Payable - More Than One Year	-	16,499	16,499
Revenue Bonds Payable - More Than One Year	90,000	66,870	156,870
Total Noncurrent Liabilities	90,630	83,369	173,999
TOTAL LIABILITIES	97,301	104,080	201,381
NET ASSETS			
Investment in Capital Assets, Net of Debt	354,549	7,115	361,664
Restricted For:			
Bond Retirement	-	14,500	14,500
Class C Road	69,400	-	69,400
Impact Fees	4,047	166	4,213
Perpetual Care	22,061	-	22,061
Unrestricted	109,071	140,435	249,506
TOTAL NET ASSETS	559,128	162,216	721,344
TOTAL LIABILITIES AND NET ASSETS	656,429	266,296	922,725

See accompanying notes and accountant's report.

**SIGURD TOWN
STATEMENT OF ACTIVITIES**

For The Fiscal Year Ended June 30, 2007

Function/Programs Primary Government:	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Operating Services	Grants/Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General Government	39,536	2,908	-	(36,628)	-	(36,628)
Public Safety	14,799	-	845	(13,954)	-	(13,954)
Health and Public Welfare	10,069	11,682	-	1,613	-	1,613
Highways and Public Improvements	13,695	-	20,885	7,190	-	7,190
Park and Recreation	8,047	1,666	-	(6,381)	-	(6,381)
Interest on Long-Term Debt	191	-	-	(191)	(1,114)	(1,305)
Total Governmental Activities	86,337	16,256	21,730	(48,351)	(1,114)	(49,465)
Business-Type Activities:						
Water Fund	43,428	55,565	-	-	12,137	12,137
Total Primary Government	129,765	71,821	21,730	(48,351)	11,023	(37,328)
General Revenues:						
Property Taxes				15,382	-	15,382
Fee-In-Lieu of Property Taxes				3,467	-	3,467
Sales Taxes				45,658	-	45,658
Perpetual Care				2,315	-	2,315
Unrestricted Investment Earnings				7,254	6,954	14,208
Total General Revenues and Transfers				74,076	6,954	81,030
Change in Net Assets				25,725	17,977	43,702
Net Assets - Beginning				533,403	144,239	677,642
Net Assets - Ending				559,128	162,216	721,344

See accompanying notes and accountant's report.

**SIGURD TOWN
BALANCE SHEET
GOVERNMENTAL FUNDS**

For The Fiscal Year Ended June 30, 2007

	<u>General Fund</u>	<u>Non-Major Perpetual Care Permanent Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	<u>182,825</u>	<u>22,061</u>	<u>204,886</u>
TOTAL ASSETS	<u><u>182,825</u></u>	<u><u>22,061</u></u>	<u><u>204,886</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved For:			
Class "C" Road	69,400	-	69,400
Impact Fees	4,047	-	4,047
Perpetual Care	-	22,061	22,061
Unreserved, Reported In:			
General Fund	<u>109,378</u>	<u>-</u>	<u>109,378</u>
Total Fund Balance	<u><u>182,825</u></u>	<u><u>22,061</u></u>	<u><u>204,886</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>182,825</u></u>	<u><u>22,061</u></u>	<u><u>204,886</u></u>

See accompanying notes and accountant's report.

SIGURD TOWN
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS

June 30, 2007

Total Fund Balances - Governmental Fund Types	204,886
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	29,595	
Buildings	377,397	
Improvements	15,560	
Equipment	9,390	
Infrastructure	<u>19,601</u>	

Total		451,543
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Revenue Bonds Payable	(95,000)	
Notes Payable	<u>(2,301)</u>	

Total		<u>(97,301)</u>
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Net Assets of Government Activities	<u><u>559,128</u></u>
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SIGURD TOWN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For The Fiscal Year Ended June 30, 2007

	General Fund	Municipal Building Authority Fund	Non-Major Perpetual Care Permanent Fund	Total
Revenues:				
Taxes	64,507	-	-	64,507
Licenses and Permits	2,190	-	-	2,190
Intergovernmental Revenue	21,730	-	-	21,730
Charges for Services	13,348	-	-	13,348
Perpetual Care	-	-	2,315	2,315
Interest	6,563	-	691	7,254
Miscellaneous Revenues	718	5,000	-	5,718
Total Revenues	<u>109,056</u>	<u>5,000</u>	<u>3,006</u>	<u>117,062</u>
Expenditures:				
Current:				
General Government	35,057	-	-	35,057
Public Safety	7,237	-	-	7,237
Health and Public Welfare	10,069	-	-	10,069
Highways and Public Improvements	6,668	-	-	6,668
Parks and Recreation	6,491	-	-	6,491
Capital Outlay	2,463	-	-	2,463
Debt Service:				
Principal	1,594	5,000	-	6,594
Interest	191	-	-	191
Total Expenditures	<u>69,770</u>	<u>5,000</u>	<u>-</u>	<u>74,770</u>
Net Change In Fund Balance	39,286	-	3,006	42,292
Fund Balance - Beginning	<u>143,539</u>	<u>-</u>	<u>19,055</u>	<u>162,594</u>
Fund Balance - Ending	<u><u>182,825</u></u>	<u><u>-</u></u>	<u><u>22,061</u></u>	<u><u>204,886</u></u>

See accompanying notes and accountant's report.

SIGURD TOWN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Fiscal Year Ended June 30, 2007

Amounts reported for governmental activities in the statement of activities
are different because:

Net Changes in Fund Balances - Total Governmental Funds	42,292
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Governmental funds report capital outlays as expenditures. However, in
the statement of activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense. This is the
amount by which capital outlays exceeded depreciation in the current period:

Depreciation Expense	(23,161)
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The issuance of long-term debt (e.g., bonds, leases) provide current financial
resources to governmental funds, while the repayment of the principal of
long-term debt consumes the current financial resources of governmental
funds. Neither transaction, however, has any effect on net assets. This
amount is the net effect of these differences in the treatment of long-term
debt and related items:

Principal Payments on Bonds	<u>6,594</u>
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Changes In Net Assets of Governmental Activities	<u><u>25,725</u></u>
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**SIGURD TOWN
STATEMENT OF NET ASSETS
PROPRIETARY FUND**

June 30, 2007

	<u>Business-Type Activity Enterprise Fund</u>	<u>Water Fund</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	157,075	
Accounts Receivable	<u>9,661</u>	
Total Current Assets		<u>166,736</u>
Noncurrent Assets:		
Investments - Restricted:		
Bond Reserves	14,500	
Capital Assets: (Net of Accumulated Depreciation)	<u>85,060</u>	
Total Noncurrent Assets		<u>99,560</u>
TOTAL ASSETS		<u><u>266,296</u></u>
LIABILITIES:		
Current Liabilities:		
Customer Deposits	10,879	
Bond Interest Payable	755	
Bonds Payable - Current Portion	<u>9,077</u>	
Total Current Liabilities		<u>20,711</u>
Noncurrent Liabilities:		
Bonds Payable - Long-Term Portion	<u>83,369</u>	
TOTAL LIABILITIES		<u>104,080</u>
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	7,115	
Restricted for:		
Bond Reserves	14,500	
Impact Fees	166	
Unrestricted	<u>140,435</u>	
TOTAL NET ASSETS		<u>162,216</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>266,296</u></u>

See accompanying notes and accountant's report.

SIGURD TOWN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

June 30, 2007

	Business-Type Activity Enterprise Fund
	<u>Water Fund</u>
Operating Revenues:	
Charges for Sales and Services:	
Water Fees	<u>54,593</u>
Operating Expenses:	
Costs of Sales and Services	33,784
Depreciation	<u>9,644</u>
Total Operating Expenses	<u>43,428</u>
Operating Income	<u>11,165</u>
Nonoperating Revenues (Expenses):	
Investment Earnings	6,954
Other Revenue (Expense)	972
Interest Expense	<u>(1,114)</u>
Total Nonoperating Revenues (Expenses)	<u>6,812</u>
Change in Net Assets	17,977
Total Net Assets - Beginning	<u>144,239</u>
Total Net Assets - Ending	<u><u>162,216</u></u>

See accompanying notes and accountant's report.

**SIGURD TOWN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

June 30, 2007

	Business-Type Activity Enterprise Fund
	<u>Water Fund</u>
Cash Flows From Operating Activities:	
Receipts From Customers	55,144
Payments to Suppliers	(28,424)
Payments to Employees	<u>(6,703)</u>
Net Cash Provided by Operating Activities	<u>20,017</u>
Cash Flows From Capital and Related Financing Activities:	
Principal Paid on Capital Debt	(9,509)
Interest Paid on Capital Debt	<u>(1,114)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(10,623)</u>
Cash Flows from Investing Activities:	
Interest Received	6,954
Other Revenues	<u>972</u>
Net Cash Provided (Used) by Investing Activities	<u>7,926</u>
Net Increase (Decrease) in Cash and Cash Equivalents	17,320
Cash and Cash Equivalents - Beginning	<u>154,255</u>
Cash and Cash Equivalents - Ending	<u><u>171,575</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:	
Operating Income	<u>11,165</u>
Adjustments to Reconcile Operating Income to Net Cash Provided Provided (Used) By Operating Activities:	
Depreciation	9,644
Increase (Decrease) in Operating Assets:	
Accounts Receivable	(1,050)
Accounts Payable	(757)
Accrued Interest Payable	(586)
Accrued Liabilities	<u>1,601</u>
Total Adjustments	<u>8,852</u>
Net Cash Provided (Used) by Operating Activities	<u><u>20,017</u></u>

See accompanying notes and accountant's report.

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Sigurd Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2007.

The following is a summary of the more significant policies:

A. Reporting Entity

Sigurd Town is a municipal corporation in Sevier County, Utah. It is governed by an elected Mayor and a four member board. As required by generally accepted accounting principles, these financial statements are of the primary government, Sigurd Town, the reporting entity. The Town has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund is the only governmental fund.

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Sigurd Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Municipal Building Authority Fund which accounts for the construction of major fixed assets then leased to the Town for Town purposes.

The government also reports the following non-major governmental fund:

The Perpetual Care Permanent Fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the cemetery.

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Government reports the following Proprietary Funds:

The Water Fund accounts for the activities of the Town's water operation. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund are charges to customers for water used. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments:

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Water System	20 - 40 Years
Buildings	20 Years
Equipment	7 - 10 Years

Long-Term Obligations:

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Budgets and Budgetary Accounting:

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and Town board on or before June 22 for the following Fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the Town board at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the Town's budgetary control (the level at which the Town's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Some Towns find themselves with a deficit fund balance in one or more of their funds. The State Auditor has taken the position that a deficit, created by expenditures being made in excess of those budgeted, is an illegally created debit in violation of the Utah Constitution, Section XIV(3). As such, the total illegally created deficit should be budgeted to be made up in the following fiscal year. Deficits arising from emergencies are not illegal and may be retired over 5 years. Maximum in the general funds may not exceed 75% of the total estimated revenue of the general fund.

Once adopted, the budget may be amended by the Town board without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

G. Property Taxes:

Property taxes are assessed and collected for the Town by Sevier County and remitted to the Town shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed in the combined balance sheet as "Cash and Cash Equivalents".

Deposits:

At year-end, the carrying amount of the Town's deposits was \$34,405 and the bank balance was \$39,266. All of the bank balance was covered by federal depository insurance. Utah State statutes do not require deposits to be collateralized, however, financial institutions must be approved by the State Money Management Council.

Cash and investments as of June 30, 2007, consist of the following:

	<u>Fair Value</u>
Demand Deposits	34,405
Investments - PTIF	<u>342,056</u>
Total Cash and Investments	<u><u>376,461</u></u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	204,886
Business-Type Activities - Unrestricted	157,075
Business-Type Activities - Restricted	<u>14,500</u>
Total Cash and Cash Equivalents	<u><u>376,461</u></u>

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that Town funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

Custodial Credit Risk:

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2007, \$0 of the local government's bank balances of \$39,266 were uninsured and uncollateralized.

Credit Risk:

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the Money Management Act.

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended June 30, 2007, the local governments has investments of \$342,056 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

NOTE 3 - BOND RESERVES

The Sigurd Town is required to deposit into three reserve funds in connection with bond issues:

1. Water Bond Reserve Fund - \$250 per year to a maximum of \$2,500. Fully Funded.	2,500
2. Water Emergency Repair and Replacement Reserve - \$100 per month to a maximum of \$5,000. Fully Funded.	5,000
3. Reserve Account - \$50 per month to a maximum of \$7,000. Fully Funded.	<u>7,000</u>
Total	<u><u>14,500</u></u>

NOTE 4 - WATER SHARES

During the 2000-2001 fiscal year the Town purchased 10 shares of underground water rights for \$47,850. These water rights are shown on the balance sheet at their cost of \$47,850.

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	29,595	-	-	29,595
 Total Capital Assets Not Being Depreciated	29,595	-	-	29,595
Capital Assets Being Depreciated:				
Buildings	433,245	-	-	433,245
Paved Roads	26,136	-	-	26,136
Improvements Other Than Buildings	31,120	-	-	31,120
Machinery and Equipment	93,900	-	-	93,900
 Total Capital Assets Being Depreciated	584,401	-	-	584,401
Less Accumulated Depreciation For:				
Buildings	(44,940)	(10,908)	-	(55,848)
Paved Roads	(5,228)	(1,307)	-	(6,535)
Improvements Other Than Buildings	(14,004)	(1,556)	-	(15,560)
Machinery and Equipment	(75,120)	(9,390)	-	(84,510)
 Total Accumulated Depreciation	(139,292)	(23,161)	-	(162,453)
 Total Capital Assets Being Depreciated (Net)	445,109	(23,161)	-	421,948
 Governmental Activities Capital Assets, Net	474,704	(23,161)	-	451,543

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Not Being Depreciated:				
Underground Water Rights	47,850	-	-	47,850
 Total Capital Assets Not Being Depreciated	 47,850	 -	 -	 47,850
 Capital Assets Being Depreciated:				
Buildings	20,433	-	-	20,433
Water System	387,625	-	-	387,625
Improvements Other Than Buildings	108,874	-	-	108,874
Machinery and Equipment	66,261	-	-	66,261
 Total Capital Assets Being Depreciated	 583,193	 -	 -	 583,193
 Less Accumulated Depreciation For:				
Buildings	(6,914)	(1,021)	-	(7,935)
Water System	(381,891)	(1,027)	-	(382,918)
Improvements Other Than Buildings	(108,151)	(334)	-	(108,485)
Equipment	(39,383)	(7,262)	-	(46,645)
 Total Accumulated Depreciation	 (536,339)	 (9,644)	 -	 (545,983)
 Total Capital Assets Being Depreciated (Net)	 46,854	 (9,644)	 -	 37,210
 Business Type Activities Capital Assets, Net	 94,704	 (9,644)	 -	 85,060
 Total Capital Assets	 <u>569,408</u>	 <u>(32,805)</u>	 <u>-</u>	 <u>536,603</u>

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
General Government	4,516	-	4,516
Public Safety	10,062	-	10,062
Health and Public Welfare	-	9,644	9,644
Highways and Public Improvements	7,027	-	7,027
Parks and Recreation	1,556	-	1,556
	<u>23,161</u>	<u>9,644</u>	<u>32,805</u>
Total Depreciation Expense	<u>23,161</u>	<u>9,644</u>	<u>32,805</u>

NOTE 6 - LONG-TERM DEBT

General Obligation Bonds - Water:

In 1982, the Town issued a General Obligation Bonds in the amount of \$30,000. The bond requires annual payments with interest at the rate of 5%.

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	880	869	1,749
2009	924	825	1,749
2010	970	779	1,749
2011	1,019	730	1,749
2012	1,070	679	1,749
2013-2017	6,206	2,539	8,745
2018-2022	6,310	824	7,134
	<u>17,379</u>	<u>7,245</u>	<u>24,624</u>

Water Revenue Bond:

In 1982, the Town issued a Water Revenue Bonds in the amount of \$120,000. The bond requires yearly payments with interest at the rate of 5%.

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	3,444	3,516	6,960
2009	3,617	3,343	6,960
2010	3,797	3,163	6,960
2011	3,987	2,973	6,960
2012	4,187	2,773	6,960
2013-2017	24,290	10,510	34,800
2018-2022	26,992	3,799	30,791
	<u>70,314</u>	<u>30,077</u>	<u>100,391</u>

2004 Municipal Building Authority Bonds:

In December of 2004 the Town authorized a \$152,500 grant and a \$100,000 loan to the Municipal Building Authority of Sigurd Town for the construction of a new 3-bay 4,800 square foot fire station. The loan is evidenced by a lease revenue bond to be issued by the issuer and purchased by the Community Impact Board. The terms of the bond require 20 yearly payments of \$5,000 beginning January 1, 2007 with no interest.

The following is a summary of debt service payments to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	5,000	-	5,000
2009	5,000	-	5,000
2010	5,000	-	5,000
2011	5,000	-	5,000
2012	5,000	-	5,000
2013-2017	25,000	-	25,000
2018-2022	25,000	-	25,000
2023-2027	20,000	-	20,000
	<u>95,000</u>	<u>-</u>	<u>95,000</u>

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Notes Payable:

On January 21, 1998, the Town issued a Public Safety Revenue Bond in the amount of \$18,680 for the partial financing of a fire engine for the Town. The bond requires payments of \$1,785 per year for 15 years with interest at the rate of 4.875%. Payments began January 21, 1999.

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	1,671	114	1,785
2009	<u>630</u>	<u>61</u>	<u>691</u>
	<u>2,301</u>	<u>175</u>	<u>2,476</u>

In 2003, the Town issued a Note in the amount of \$120,000. The note requires yearly payments with interest at the rate of 4.75%.

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	<u>4,753</u>	<u>226</u>	<u>4,979</u>
	<u>4,753</u>	<u>226</u>	<u>4,979</u>

The following is a summary of total long-term debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	15,748	4,725	20,473
2009	10,171	4,229	14,400
2010	9,767	3,942	13,709
2011	10,006	3,703	13,709
2012	10,257	3,452	13,709
2013-2017	55,496	13,049	68,545
2018-2022	58,302	4,623	62,925
2023-2027	<u>20,000</u>	<u>-</u>	<u>20,000</u>
	<u>189,747</u>	<u>37,723</u>	<u>227,470</u>

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 Continued

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term debt at June 30, 2007, are comprised of the following individual bonds and notes:

	Date of Issue	Interest Rate	Total Issued	Outstanding June 30, 2006	Current Year Changes		Outstanding June 30, 2007
					Issued	Matured	
Proprietary Fund:							
Bond Issues:							
General Obligation Bonds FHA	1982	5%	30,000	18,217	-	838	17,379
Water Revenue Bonds FHA	1982	5%	120,000	74,182	-	3,868	70,314
Total Bonds Payable			150,000	92,399	-	4,706	87,693
Note Payable:							
Note Payable - Case Credit	2003	4.75%	120,000	9,556	-	4,803	4,753
Total Proprietary Fund			270,000	101,955	-	9,509	92,446
Government Fund:							
Bond Issue:							
MBA Lease Revenue Bonds	2004	0%	100,000	100,000	-	5,000	95,000
Note Payable:							
Note Payable - FHA	1998	4.88%	18,680	3,895	-	1,594	2,301
Total Governmental Fund			118,680	103,895	-	6,594	97,301
Total Government Wide			388,680	205,850	-	16,103	189,747

SIGURD TOWN
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - MUNICIPAL BUILDING AUTHORITY

On January 5, 2005, a resolution was adopted by the Town to authorize and approve the creation of the Municipal Building Authority of Sigurd Town for the purpose of accomplishing the public purposes for which the Town exists by acquiring, improving or extending one or more projects, as defined in the Municipal Building Authority Act of the Utah State Code, and financing their costs of behalf of the Town. The Trustees of the Municipal Building Authority are the Mayor and Town Board. The Municipal Building Authority is treated as a blended component unit of Sigurd Town for reporting purposes.

NOTE 8 - CLASS "C" ROADS - RESERVED FUND BALANCE

The following is a schedule of receipts and disbursements in Class "C" Roads:

Balance - Beginning of Year		51,000
Receipts:		
State of Utah	20,885	
Interest	<u>4,184</u>	
Total Receipts		25,069
Disbursements		<u>(6,669)</u>
Balance - End of Year		<u><u>69,400</u></u>

NOTE 9 - PERPETUAL CARE FUND

The following is a schedule of receipts and disbursements in the Perpetual Care Fund:

Balance - Beginning of Year	19,055
Receipts:	
Sale of Cemetery Perpetual Care Certificates	3,006
Disbursements	<u>-</u>
Balance - End of Year	<u><u>22,061</u></u>

NOTE 10 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains a general liability policy of \$2,000,000 and an automobile policy through St. Paul Fire and Marine Insurance Company. The Town carries a policy with St. Paul for property and casualty in an amount sufficient to cover the assets of the Town. A policy for crime is carried through Old Republic in an amount sufficient to meet State law. The Town does not provide coverage for all risks and hazards, however, the Town has obtained coverage for employee accidental death and dismemberment and workers compensation through other commercial carriers.

Claims have not exceeded coverage in any of the last three fiscal years.

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is used to assist in formatting for easier reading)

**REQUIRED SUPPLEMENTARY
INFORMATION
"UNAUDITED"**

SIGURD TOWN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For The Fiscal Year Ended June 30, 2007

Budgetary Comparison Schedules:

The Budgetary Comparison Schedules presented in this section of the report are for the Town's General Fund.

Budgeting and Budgetary Control:

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the Town Board prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Board through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations:

For the year ended June 30, 2007, spending for all funds and departments of the Town was within the approved budgets.

**SIGURD TOWN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property Taxes	13,800	13,800	14,944	1,144
Prior Years Taxes	1,500	1,500	438	(1,062)
Sales and Use Taxes	38,000	38,000	45,658	7,658
Fee-In-Lieu	3,500	3,500	3,467	(33)
Franchise Taxes	20	20	-	(20)
Total Taxes	56,820	56,820	64,507	7,687
Licenses and Permits:				
Business Licenses	500	500	440	(60)
Dog Licenses	1,600	1,600	1,750	150
Total Licenses and Permits	2,100	2,100	2,190	90
Intergovernmental Revenue:				
Class C Roads	25,300	25,300	20,885	(4,415)
Fire Station Grant	100,000	100,000	-	(100,000)
State Liquor Allotment	780	780	845	65
Total Intergovernmental Revenue	126,080	126,080	21,730	(104,350)
Charges for Services:				
Cemetery	800	800	1,666	866
Landfill	11,000	11,000	11,682	682
Total Charges for Services	11,800	11,800	13,348	1,548
Miscellaneous Revenue:				
Interest	1,880	1,880	6,563	4,683
Impact Fees	2,640	2,640	-	(2,640)
Rents and Concessions	250	250	175	(75)
Miscellaneous	500	500	542	42
Transfer from Surplus	11,796	11,796	-	(11,796)
Total Miscellaneous Revenue	17,066	17,066	7,280	(9,786)
Total Revenues	213,866	213,866	109,055	(104,811)

**SIGURD TOWN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note A)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
General Government:				
Administration	40,600	40,600	32,568	8,032
Professional Services	4,000	4,000	2,489	1,511
Total General Government	44,600	44,600	35,057	9,543
Public Safety:				
Police	780	780	845	(65)
Fire	113,285	113,285	8,177	105,108
Total Public Safety	114,065	114,065	9,022	105,043
Health and Public Welfare:				
Mosquito Abatement	2,100	2,100	1,828	272
Animal Control	100	100	57	43
Total Health and Public Welfare	2,200	2,200	1,885	315
Sanitation	11,000	11,000	8,184	2,816
Streets and Public Improvements:				
Construction and Maintenance	22,680	22,680	1,756	20,924
Street Lights	4,600	4,600	4,912	(312)
Total Streets and Public Improvements	27,280	27,280	6,668	20,612
Parks, Recreation and Public Property:				
Recreation and Beautification	1,221	1,221	540	681
Parks and Cemetery	8,000	8,000	5,951	2,049
Total Parks, Recreation and Public Property	9,221	9,221	6,491	2,730
Capital Outlay	5,500	5,500	2,463	3,037
Total Expenditures	213,866	213,866	69,770	144,096
Excess Revenues Over (Under) Expenditures	-	-	39,285	39,285
Fund Balance - Beginning			143,540	
Fund Balance - Ending			182,825	

**SIGURD TOWN
SCHEDULE OF IMPACT FEES**

For The Fiscal Year Ended June 30, 2007

IMPACT FEES

Effective February 2000, the Town adopted an impact fee ordinance for the purpose of requiring that existing as well as new development pay for the fair share of public facilities through impact fees which will be used to finance, defray or reimburse the Town for all or a portion of the costs of public facilities which serve such development. The amount of the impact fee shall be calculated and based on the impact of new development on public facilities. A 2.74% inflation estimate equal to the annual average consumer price index for the years 1991 through 1999 will be used and a 5% depreciation rate on existing water system.

The impact fees will be based on the following schedule ranging from 2000 through 2017:

Year Ending June 30th:	<u>2000</u>	<u>2007</u>	<u>2017</u>
Water	3,131	3,219	4,046
Roads - Not Paved	624	714	962
Roads - Paved	1,555	1,780	2,397
Fire	189	216	291
Park	485	556	748

The following is a schedule of impact fees received and expended for the year:

	<u>Water</u>	<u>Roads</u>	<u>Fire</u>	<u>Park</u>	<u>Total</u>
Balance - June 30, 2006	<u>157.05</u>	<u>197.52</u>	<u>143.11</u>	<u>2,753.53</u>	<u>3,251.21</u>
Receipts:					
Fees	-	-	216.00	534.00	750.00
Interest	<u>8.48</u>	<u>10.69</u>	<u>17.66</u>	<u>174.73</u>	<u>211.56</u>
Total Receipts	<u>8.48</u>	<u>10.69</u>	<u>233.66</u>	<u>708.73</u>	<u>961.56</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance - June 30, 2007	<u><u>165.53</u></u>	<u><u>208.21</u></u>	<u><u>376.77</u></u>	<u><u>3,462.26</u></u>	<u><u>4,212.77</u></u>